



General Assembly

Substitute Bill No. 39

February Session, 2002

**AN ACT CONCERNING THE STUDENT LOAN FOUNDATION AND
OCCUPATIONAL LICENSING.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2002*) (a) For purposes of this
2 section, (1) "state licensing agency" means any state agency,
3 department, board or commission that is responsible for issuing
4 licenses or certificates to practice or engage in a profession, occupation
5 or trade; and (2) "default" means the failure of a borrower and
6 endorser, if any, or joint borrowers, to make an installment payment
7 when due, or to meet other terms of the promissory note, provided this
8 failure persists for (A) two hundred seventy days for a loan repayable
9 in monthly installments; or (B) three hundred thirty days for a loan
10 repayable in less frequent installments.

11 (b) Notwithstanding any provision of the general statutes, no state
12 licensing agency shall renew a license or certificate if such licensing
13 agency has been notified by the Connecticut Student Loan Foundation
14 pursuant to this section that the applicant for such renewal is in default
15 of a student loan made or guaranteed by the foundation, except as
16 provided in subsection (d) of this section. The state licensing agency
17 shall afford a person denied renewal of a license or certificate pursuant
18 to this section all rights provided under state law and regulations
19 relating to the licensure of such person's profession, occupation or
20 trade, including a right to appeal any such decision. A person denied

21 renewal of a license or certificate pursuant to this section who
22 subsequently presents to the appropriate state licensing agency a
23 certificate setting forth an acceptable repayment agreement, in
24 accordance with subsection (d) of this section, shall have their license
25 or certificate renewed in accordance with the procedures set forth for
26 renewal of such license or certificate in the general statutes.

27 (c) The Connecticut Student Loan Foundation shall (1) periodically
28 identify persons in default on student loans made or guaranteed by the
29 foundation, (2) subject to the provisions of subsection (d) of this
30 section, provide a list of such persons to each state licensing agency,
31 and (3) in the case of a person in default who holds a license or
32 certificate, notify such person, at the time the list is provided to the
33 state licensing agency, that the license or certificate is subject to
34 nonrenewal pursuant to this section.

35 (d) A person in default of a student loan made or guaranteed by the
36 Connecticut Student Loan Foundation may enter into an agreement
37 with the foundation for repayment of such loan. The foundation shall
38 provide such person with a certificate stating that such person has
39 entered into a repayment agreement that is acceptable to the
40 foundation and such person. A person who presents such certificate to
41 a state licensing agency shall not be denied renewal of a license or
42 certificate based on default of such loan unless such person fails to
43 make the payments required under the agreement. The foundation
44 shall not include such person's name on the list issued after such
45 agreement is entered into or on any subsequent list if such person
46 continues to make the payments required under such agreement. If a
47 person fails to make the payments required under the agreement, the
48 foundation may include the person's name on the list. Such person
49 may enter into another such repayment agreement and be issued
50 another such certificate for presentation to the state licensing agency.

51 (e) The Connecticut Student Loan Foundation shall provide written
52 notice of the provisions of this section to each resident of this state who
53 is in default on a loan made or guaranteed by the foundation.

54 (f) The commissioner of each state licensing agency and the
55 president of the Connecticut Student Loan Foundation shall enter an
56 agreement that shall include procedures for the foundation to (1)
57 notify the commissioner of a default and the amount of the default, (2)
58 reimburse the state licensing agency for any costs incurred by the state
59 licensing agency in carrying out the provisions of this section, and (3)
60 implement the provisions of this section.

This act shall take effect as follows:	
Section 1	<i>October 1, 2002</i>

ED *Joint Favorable Subst.*

APP *Joint Favorable*

GL *Joint Favorable*